

November 1, 2001

BY E-MAIL

Mr. Paul Margie
Spectrum and International Legal Advisor
Office of Commissioner Michael J. Copps
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: Spectrum Caps (WT Docket No. 01-14)

Dear Mr. Margie:

On behalf of WorldCom, Inc., I would like to thank you for taking the time yesterday to discuss with me the spectrum caps proceeding. This letter briefly summarizes our discussion and provides the additional information you requested.

We discussed the Commission's consideration of a proposal to raise the spectrum cap to 55 MHz in all markets and to sunset the cap in 12 - 18 months. I reiterated WorldCom's support for retaining the current spectrum caps. However, in the event the Commission decided to change the current rules, I noted that a suitable sunset period was important to give the market, and resellers like WorldCom, time to adjust to the coming change. I emphasized that a 12-month sunset period would be inadequate. You asked me to elaborate on that.

WorldCom submits that 12 months is a wholly inadequate sunset period because a transaction announced today would likely take 12 or more months to complete. Thus, for all practical purposes, a 12-month sunset is really no sunset at all, but a "flash-cut" elimination of the spectrum caps. In WorldCom's experience, once a transaction is announced, parties to the transaction typically adjust the conduct of their business affairs to take into account the interests of the other party and of the potential merged entity. In addition, the uncertainty of the new environment often results in parties to the transaction pursuing certain relationships less aggressively. In particular, WorldCom, the largest post-paid wireless reseller in the U.S. (with 2 million customers) is deeply concerned that shortly after the announcement of a merger among two major CMRS carriers, both of those carriers will be far less willing to enter into favorable resale arrangements with WorldCom. In order to give WorldCom sufficient time to adjust to the elimination of the spectrum caps, the sunset period must be longer than 12 months. This will give WorldCom sufficient time to evaluate whether to enter into long-term and/or high volume

resale contracts with the existing CMRS carriers. WorldCom suggests a minimum of 24 months would be appropriate.

As for lifting the cap to 55 MHz in the interim, I urged that the Commission limit such an increase to a finite number of the largest markets in the U.S. In all events, I urged that the Commission make it clear in the text of its order that it will carefully review the competitive impact of all CMRS spectrum transactions, regardless of whether they fall below the cap.

Respectfully submitted,

Robert S. Koppel
Vice President
Wireless Regulatory Affairs

cc: Paul Margie (by e-mail)